

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 8, 2003**

**TO:** Honorable Jaime Capelo, Chair, House Committee on Public Health

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB1093** by Capelo (Relating to nutrition and health programs for public school children.),  
**As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1093, As Introduced: a negative impact of (\$645,498) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$352,749)
2005	(\$292,749)
2006	(\$167,749)
2007	(\$167,749)
2008	(\$167,749)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	(\$352,749)	2.0
2005	(\$292,749)	2.0
2006	(\$167,749)	2.0
2007	(\$167,749)	2.0
2008	(\$167,749)	2.0

**Fiscal Analysis**

The bill amends the Texas Education Code as it relates to the provision of child nutrition services in public and charter schools.

As currently worded, Subchapter A of the new Chapter 35 restates an existing mandate to provide access to the school breakfast program to eligible students. The current breakfast program operates through federal reimbursements, and has no state funding. The addition of a reference to legislative appropriations leaves open whether there is intent to supplement the federal funds with state funds, but there is no specific charge to do so in the bill.

Subchapter B creates a council of 12 individuals and assigns support responsibilities to the agency. The council is eligible for reimbursement of expenses at the discretion of the commissioner based on

financial need of the individuals serving. The council can also appoint advisory committees that are eligible for reimbursement of expenses. Based on the required quarterly meetings and the composition of the council, it is anticipated that four members would need reimbursement at an average cost of \$400 each per meeting, resulting in annual travel expenses of \$6,400. In addition, the number and frequency of meetings for advisory committees will generate additional travel expenses. If three committees of seven members meet four times a year, the costs could be \$33,600.

The council has development activities that would normally be carried out through contract. Other activities of the council may be conducted by agencies represented on the council. The activities and estimates of contract prices are:

- Develop program and curriculum changes designed to improve nutrition education - \$60,000 for curriculum, \$100,000 for program designs
- Develop the nutrition services component of coordinated health programs for elementary students - \$150,000
- Develop programs designed to expand the use of Texas agricultural products in school breakfast and school lunch program meals - \$100,000 (possibly from child nutrition administrative funds)
- Evaluation of council recommendations - \$50,000

In addition to the council's contracting activity, the Texas Education Agency would also be charged with certain activities. In particular, the agency is directed to:

- Develop a practice-based nutrition evaluation tool
- Develop a program of basic nutrition education as a curriculum component
- Develop a recognition program

These costs will total approximately \$200,000. It is expected that child nutrition administrative funds could provide about half the funding (for the nutrition evaluation tool and the recognition program). It is assumed the remaining funding need would be provided by general revenue, although other agencies may have funds that could provide support.

The support for the council, its advisory committees, consultants, and contracts/grants would be provided by the Texas Education Agency. It is estimated that the workload for these activities will involve at least one full-time professional and one administrative support position. Depending on frequency of meetings and number of different grants and other programs, the professional staffing may need expansion. The total administrative and staffing cost is estimated to be approximately \$100,000 per year. For the purposes of this estimate, it is assumed that 30% could be provided from child nutrition administrative funds. Portions of the council's activities may be supported by members other than the Texas Education Agency.

## **Methodology**

For the purposes of this fiscal note, it is anticipated that the contracted functions would be split across the two years of the biennium. Some functions, such as evaluation, information dissemination, promotion, etc., are ongoing, and are shown at an annual cost of \$150,000 after the initial two years, funded 50% from federal child nutrition administration funds.

## **Local Government Impact**

Certain provisions of the legislation could be implemented by districts as part of routine district business. Economic impact from limitations on competitive produce sales could take some number of years to materialize, depending on the length of current contracts. Preparation of annual meal analyses and contractor reports will likely have some cost to school districts, as it is believed that most districts do not provide this kind of annual reporting currently. The Texas Education Agency's estimate of the cost for the reporting is about \$2,000 per district/charter school for the meal analysis and \$1,000 for the competitive food contract analysis, for a combined annual statewide expense of about \$3.6 million.

**Source Agencies:** 501 Department of Health, 551 Department of Agriculture, 701 Central Education Agency

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